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SENSITIVE

DEPARTMENT FOR EAP/BCLTV, DRL, DRL/IRD
STATE PLEASE PASS TO SFRC STAFFER FJANNUZI

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SUBJECT: SFRC STAFFER FOCUSES ON PLIGHT OF VIETNAM'S CENTRAL
HIGHLAND MINORITIES

REF: A) HCMC 1140; B) HANOI 2594

1. (SBU) Summary: Paternalism, racism, bureaucratic ineptitude, communist orthodoxy, economic and educational marginalization, and war legacy issues were all on display when SFRC staffer Frank Jannuzi assessed the status of ethnic minorities -- Montagnards -- in the Central Highlands province of Gia Lai September 2-4. In this mix, religion is but one of many fault lines between the Montagnard minority and the ethnic Vietnamese (Kinh) majority. It was apparent that the Highland's Montagnards were second-class citizens in their traditional lands, creating an environment in which ethnic minority unrest and protests -- such as those that occurred in 2004 and 2001 -- could easily flare.

2. (SBU) GVN officials told Staffdel that they are committed to address problems affecting Montagnards; Staffdel did see some efforts to close the educational and economic gap between the ethnic minorities and the Kinh. However, those efforts fall far short of addressing the political, social, and religious disenfranchisement of the Montagnards. Moreover, despite indications to the contrary from the GVN in Hanoi, local officials told Staffdel that there would be no halt to in-migration of ethnic Kinh to the province. Until the GVN adopts a broader and more creative approach, we can expect ethnic minority tensions in the Highlands to fester. End Summary

3. (SBU) The status of ethnic minorities was a key focus of Senate Foreign Relations Committee staffer Frank Jannuzi, who, accompanied by HCMC PolOff visited Pleiku, administrative capital of the Central Highland province of Gia Lai September 2-4. (Gia Lai was one of the epicenters of ethnic minority unrest in 2004 and 2001.) In Pleiku, Jannuzi met with Chairman of the Gia Lai People's Committee, the Deputy Director of the centrally administered Central Highlands Development Authority and the Provincial Committee for Religious Affairs (CRA). Jannuzi also met with the Directors of state-owned coffee and rubber plantations as well as the Chairman of the largest privately owned company in the province. Staffdel also visited two Montagnard communities, albeit in the constant company of GVN officials. (Note: at the invitation of the GVN, Michael Sullivan, a U.S. journalist for National Public Radio based in Hanoi, accompanied the Staffdel throughout the visit to Pleiku.) Ref a reports in more detail on freedom of religion issues raised during the Staffdel visit.

Separate and unequal

4. (SBU) Over the past 15 years, GVN-planned and spontaneous migration of ethnic Vietnamese (Kinh) and the explosion of cash crop cultivation -- coffee, rubber, and pepper -- have transformed the demographics and the economy of the region. Once an overwhelming majority, GVN officials told us that the Montagnards now comprise no more than 45 percent of the population in the province. Economic and demographic pressures and competition for land have forced them to abandon their traditional semi-nomadic, slash and burn agricultural lifestyle. The Chairman of the People's Committee told Staffdel that 85 percent of Montagnards are settled in fixed settlements scattered throughout the province.

5. (SBU) The Staffdel visit underscored how little Montagnards have benefited from changes in the region. Physically, they largely remain isolated from the Kinh majority. Even the Montagnard village that the GVN sought to showcase to Staffdel was moldering, backward and set far from major roads, shops, schools and jobs (and the Kinh). In general, the three Montagnard villages that PolOff visited (two with Staffdel were clustered near the rice fields and cash crop plantations in which they work.

6. (SBU) Educationally, the ethnic Minorities appeared to lag far behind their Kinh counterparts. Many Montagnards spoke only limited Vietnamese at best; the directors of the rubber plantation and privately owned furniture factory told Staffdel that some of their Montagnard hires were illiterate. Both companies were forced to run in-house training programs to bring ethnic minority hires up to minimum standards. In contrast, Kinh migrants had adequate educational skills; one young Vietnamese Kinh told Staffdel that he had recently migrated to Pleiku from Northern Vietnam and was able to find well paying employment in a local

factory. He added that Montagnard hires in his firm "usually don't work out" because of cultural and educational differences.

17. (SBU) Economically, the Montagnards lag behind the Kinh, in part because of their educational backwardness, in part because of past GVN neglect. In the fields, they have not been able to apply more sophisticated agricultural techniques, thus earning less than their Kinh counterparts. In the companies of the region, the Montagnards hold the bulk of the low-skill, low-pay jobs. In Montagnard villages, the local kiosks are owned and run by Kinh migrants who return to Kinh-majority areas at night. Staffdel was told repeatedly that the Montagnard's lacked the educational skills, financial savvy and capital needed to move up the economic ladder.

18. (SBU) Local GVN officials acknowledged the economic disparity between Kinh and Montagnards. They noted that it created a vicious cycle in which the Kinh, out-earning the Montagnards, use their profits to buy land from the Montagnards. Over the long-term, this phenomenon exacerbates the ethnic minorities economic plight and sense of dispossession.

New economic pressures ahead?

19. (SBU) Shifts in the cash crops business also foreshadow new pressures on those at the bottom of the economic ladder in the highlands. The director of a major state-owned coffee plantation told Staffdel that, in response to depressed world prices for Robusta coffee -- caused at least in part by over-planting in Vietnam --the company might be forced to restructure. Their plans calls for shedding direct-hire labor and land, outsourcing cultivation and focusing on higher value-added activities such as processing and distribution. While not stated explicitly, it was clear that the bulk of the 30-35 percent of the company's 2,000 employees that were ethnic minorities hold those low skill jobs that could be lost. The director proffered that released workers would be offered coffee leaseholds, but they would be required to sell their product back to the company in an exclusive contract.

110. (SBU) A similar phenomenon appears to be occurring at the large state-owned rubber plantation. Even at this relatively progressive and expanding company -- two thirds of the 1800 direct-hire employees are Montagnard -- a local ethnic minority villager told Staffdel that the company froze permanent hires. The company is now only employing contract labor, at monthly wages that are almost half that of the average direct-hire salary.

111. (SBU) The ethnic Minorities also were politically under-represented. All the leading GVN and economic figures that met with Staffdel were ethnic Kinh. Most of them were migrants from provinces outside the Central Highlands.

112. (SBU) Religion also reflects the minority/majority divide. Protestantism essentially is a minority religion. According to a trusted church contact, at least 90 percent of the province's 100,000 Protestants are ethnic minorities. Similarly, the chief Parish Priest of the Catholic Church in Pleiku told Staffdel that two thirds of the 180,000 Catholics in the province are Montagnard.

The GVN: we are working on it

113. (SBU) Deputy Chairman Ha of the centrally administered Central Highlands Development Authority told Staffdel that the GVN launched programs to address the educational and employment disadvantages of the Montagnards in the early 1990s. He said that, recently, Hanoi has become seized of the matter and became "very strongly determined to solve" these issues, even though the Montagnards "obsolete traditions and rituals" hindered progress. He and other local officials highlighted:

- agricultural extension programs focused at assisting ethnic minorities to improve staple food yields,
- priority land distribution for Montagnards;
- a separate system of subsidized boarding schools for Montagnard children, and,
- preferential admission into local universities.

114. (SBU) However, beyond limited educational and economic measures, there was little new in the GVN pitch. They maintained that "outside reactionary forces" from "FULRO" and the "Dega Protestant" movement were exploiting and magnifying minority discontent to foment anti-GVN and separatist activities. (FULRO was a Montagnard guerilla movement that continued to resist Hanoi's authority in the Central Highlands well after unification in 1975. FULRO formally ended its armed struggle in 1992.)

No end to in-migration

115. (SBU) Every GVN official made it clear that, despite indications to the contrary in Hanoi (ref b), there would be no halt to in-migration of ethnic Kinh to the Highlands. They explained that each province had a GVN-approved "master migration

plan" that guided local leaders on land allocation and subsidies to GVN-approved migrants. They indicated that GVN-supported migrants receive subsidies of 5,000,000 Dong (USD 315) per hectare of GVN-allocated land that they clear. According to the Chairman of the Gia Lai People's Committee Pham The Dung, the province needed another 400,000 migrants to "fulfill its economic potential."

16. (SBU) Dung sought to make a distinction between planned, GNV-supported migration and "spontaneous" migration outside the plan. According to Dung, some 50,000 to 70,000 Kinh migrants have settled in Gia Lai in recent years. He explained that, these migrants have been a significant source of friction with the Montagnards, as they tend to encroach on "vacant" lands that the ethnic Minorities consider theirs. Nonetheless, local authorities would take no action to expel them or to deter them from settling by denying them residency permits. The People's Committee Chairman concluded that, despite the friction they cause, the province needed their labor to "fulfill our potential."

Comment

17. (SBU) The good news is that even local authorities, which in the past have denied that anything in the province was amiss, now recognize that they have a serious problem on their hands. The bad news is that their solution -- educational and economic solutions based on party-approved economic plans -- will do little to address the root causes of ethnic minority disaffection. Real change will require policy-making creativity, a willingness to provide ethnic minorities with a real voice in decisions that affect the province, including migration, tolerance and respect for minority culture -- including religion -- and a willingness to partner with NGOs and other international organizations to bring in vital development expertise and funding.

18. (U) Staffdel Jannuzi did not have the opportunity to review this message prior to sending.

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